

Information Technology Addendum

Recsum Code and Title **ML2-LF ICD-10 Provider Implementation**

Brief Description: HCA requests a reduction of \$655,000 in fiscal year 2015 to complete the implementation of International Statistical Classification of Diseases (ICD-10) in fiscal year 2016. The federal government delayed implementation originally planned for October 2014. HCA will complete the technical implementation of ICD-10 in FY2015 and requests funding to resume limited provider testing and cutover activities to support the new federal compliance date of October 2015.

If this investment includes the use of servers, do you plan to use the state data center?

☐ Yes ☐ No, waiver received ☐ No, waiver not received ☒ Does not apply

Security

Security: How does this investment affect the state's security posture? Have the proper security considerations been made? Does the investment itself actually improve infrastructure security? What, if any, security concerns are there?

This investment is essential to achieving compliance with federal ICD-10 regulations. It supports provider testing and ICD-10 cutover activities and does not impact current ProviderOne security infrastructure.

Feasibility/Risk

Cultural readiness/organizational capacity: Does this investment require significant institutional change within the agency, and is the agency prepared for that change? Is there committed and proven leadership? Is there a record of successful projects? Does the agency foster a culture of creative problem solving?

Transition to ICD-10 involves new coding rules which impact not only the ProviderOne system, but HCA business and payment rules and clinical decision-making. The ICD-10 Project work during FY2015 addressed training needs and prepared the Agency for the change to ICD-10. Due to the federal delay in implementation, provider training and cutover activities need to be resumed prior to the new implementation dates in order for this initiative to be successful.

Technical complexity: Can the investment realistically be completed within the proposed framework of time, budget and resources?

The technical enhancements to the ProviderOne system that are required for ICD-10 will be completed in FY2015. This investment addresses provider training and cutover activities that have moved to FY2016 and must be addressed closer to the implementation date.

Urgency: Is the investment urgent or can wait until a future funding cycle? Must the investment be completed all at once, or can we break it into incremental pieces?

HCA is required to complete implementation of ICD-10 according to federal requirements and timelines or risk non-compliance sanctions. This investment supports cutover activities that must be done in FY2016 in order to meet federally mandated dates.

Impact of not doing: What are the potential impacts to the state, agency, or the public if this investment is not completed?

This investment funds the work necessary for HCA to complete the required conversion to ICD-10, comply with federal regulations and maintain Federal Financial Participation for Medicaid systems and programs. There are no specific fines/sanctions defined at this time for failure to comply with ICD-10, but ICD-10 is governed by HIPAA which includes sanctions for current violations of HIPAA transactions and code sets.

Technology Strategy Alignment

Agile value: Is the investment broken into incremental steps that provide customer-facing value and allow periodic assessment of progress?

N/A. The technical components of ICD-10 were covered in a previous investment and will be completed in FY2015.

Modernization of state government: Will the investment result in replacing legacy systems that are no longer solving business problems with modern, appropriate technology solutions?

N/A. ICD-10 includes update to a current coding system in ProviderOne rather than any system replacement.

Mobility: Does the investment help state employees conduct business “any time, anywhere”? Does it improve mobile access to services for customers?

No. N/A

Transparency: Does it increase public visibility of services provided with public funds? Does this investment increase public access to searchable public data and information?

No. N/A

Accountability: Are the investment’s goals well articulated? How will “success” be determined or measured?

This investment is necessary to be compliant with the federally required ICD-10 code set. The updated code set will provide greater granularity in the definition of disease severity and associated risk. It will enhance clinical information integration and is a dependency for a number of related Health Information Technology Initiatives. Initial success will be measured by monitoring the flow of ICD-10 compliant claims through the ProviderOne system. As providers reach full compliance, HCA will be able to examine the broader goals noted above and begin to realize the full benefits of the ICD-10 code set.

Financial

Financial risk of not doing: Are there potential financial consequences for not completing this investment, such as fines for noncompliance with legal requirements or a loss of federal funding?

This investment funds the work necessary for HCA to complete the required conversion to ICD-10, comply with federal regulations and maintain Federal Financial Participation for Medicaid systems and programs. There are no specific fines/sanctions defined at this time for failure to comply with ICD-10, but ICD-10 is governed by HIPAA which includes sanctions for current violations of HIPAA transactions and code sets.

Cost Reduction: Does this investment prevent or reduce expenses, such as the cost of maintaining labor-intensive systems that could be automated, repairs or maintenance to obsolete or outdated infrastructure, or specialty expertise required for legacy technologies?

No N/A

Revenue Generation: Does this investment generate new revenue, or capture additional revenue left “on the table” by current solutions?

No N/A

Business Case/Agency Mission Priority

Mission priority: Does this investment help the agency better deliver its mission?

This investment is necessary to be compliant with the federally required ICD-10 code set. ICD-10 supports HCA’s mission and goals related to evidence-based health care, promotion of healthy lifestyles, better management of chronic conditions and better use of data analytics for clinical decision making. The updated code set will provide greater granularity in the definition of disease severity and associated risk and will enhance clinical information integration and is a dependency for a number of related Health Information Technology Initiatives.

Business case: Is there a clear problem with the status quo, and does this investment clearly solve that business problem?

This investment supports compliance with a federal mandate to move to the ICD-10 code set. All health care providers are also required to move to ICD-10; this investment ensures that HCA payment systems are able to support providers who are ICD-10 compliant.